

CT (Lux) Global Absolute Return Bond Fund I



Q2 2025 | For existing investors only

Objectives and investment policy

The objective is to provide an absolute return irrespective of bond market direction. The Manager seeks to achieve this by investing at least two thirds of its assets in a highly diversified spread of corporate bonds issued by companies and other non-governmental organisations from the major corporate bond markets. The Fund may also invest in bonds issued by governments and supnationals and derivative contracts. Derivatives may be used to hedge investment risk, replicate investment positions, generate additional return in a risk controlled manner and for efficient portfolio management. Derivatives can also be used to obtain market exposure in excess of the net asset value of the Fund (market leverage/deleverage). The Fund may generate varying amount of market leverage at different times. The Fund is actively managed. It is not constrained by its comparator benchmark, ESTR (or equivalent currency specific benchmark), and has significant freedom to invest in a portfolio that is materially different to the benchmark's own composition.

Key risks

Past performance should not be seen as an indication of future performance. The value of investments and the income derived from them can go down as well as up as a result of market or currency movements and an investor may not get back the original amount invested. The income and capital due from bonds is dependent upon the issuing company's ability to pay and any default will adversely affect the value of your investment. Changes in interest rates can affect the value of fixed interest holdings and may adversely affect the value of your investment. The fund aims to deliver a positive return regardless of market conditions but such a positive return is not guaranteed over this or any time period.

Morningstar rating†



Key facts

Fund inception date:	13 March 2017
Lead portfolio manager:	Fixed Income Team
Benchmark:	SONIA (Sterling Overnight Index Average)
Fund size:	€149 million
SFDR category:	Article 6
Base currency:	EUR
ISIN:	LU1572609797
Share class:	I ACC GBP Hedged
Share class inception date:	13 March 2017

Discrete performance as at 30.06.25 (%)

	2024/25	2023/24	2022/23	2021/22	2020/21
Fund	8.93	7.36	0.99	-5.44	4.96
Benchmark	4.71	5.15	3.10	0.37	0.06

Source: Columbia Threadneedle Investments as at 30-Jun-25.

Performance as at 30.06.25 GBP (%)

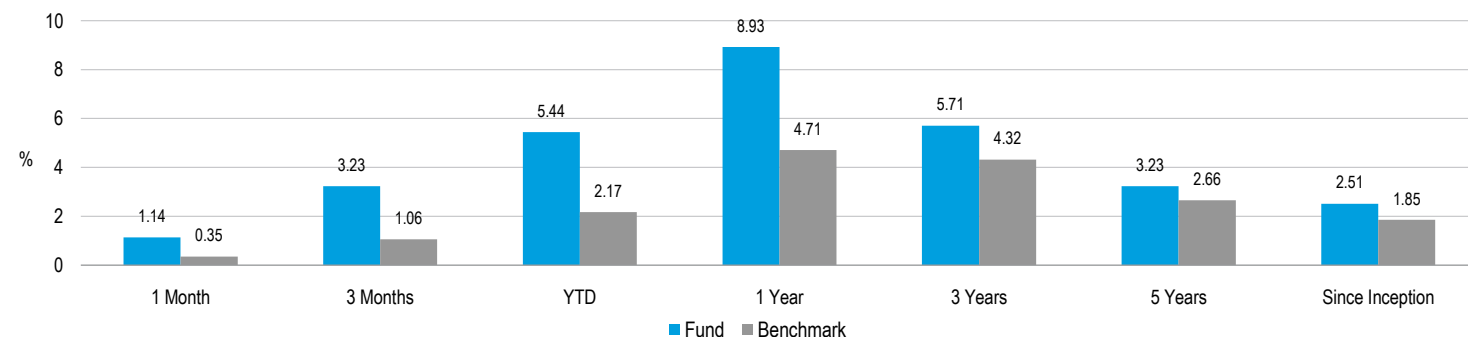
	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception*
Fund	1.14	3.23	5.44	8.93	5.71	3.23	2.51
Benchmark**	0.35	1.06	2.17	4.71	4.32	2.66	1.85

*Shareclass launched 13.03.2017

**3-month Sterling LIBOR to 01/12/21 – SONIA onwards

All figures are gross of fees and net of expenses. Returns over one year are annualised. The effect of fees or costs will be to lower the figures shown.

Fund performance as at 30.06.25



Fund manager commentary

Market overview

The big trend in fixed income markets during the second quarter was that of yield-curve steepening, as the market focused on tariff uncertainty and fiscally expansionary policies in Europe and the US. The tariffs announced on Liberation Day by US President Trump were higher than the market had been expecting. Market participants, however, soon began to dial back their pessimism over the potential economic fallout from tariffs, expecting the Trump administration to adopt a more pragmatic approach to negotiations. While the US economy continued to demonstrate a high degree of resilience, survey and sentiment data pointed to an underlying narrative of decelerating growth. One factor to have a negative impact on longer-dated US bond yields was the perceived lack of fiscal discipline in the US. Trump's signature tax-cutting bill is expected to add significantly to the country's budget deficit over the longer term. This partially mirrored the situation in Europe, where the fiscal backdrop continued to deteriorate in both Germany and the UK. Geopolitical risk diminished as within the space of a month, a war between Israel and Iran gave way to a ceasefire. While the price of a barrel of oil briefly spiked, it soon subsided to sub-\$65 territory, alleviating inflation concerns. The US Federal Reserve left rates on hold, while the European Central Bank and the Bank of England cut interest rates to 2.00% and 4.25%, respectively.

Portfolio activity

The fund benefited from our decision in mid-May to increase duration in the US as fiscal concerns and uncertainty over tariffs had pushed US Treasury yields towards the top of their recent trading range, creating an attractive entry point for the position. The fund also profited from sizeable yield-curve steepening positions in both the US and the eurozone. The catalyst for steeper yield curves was the prospect of fiscally expansionary policies in Europe and the US, alongside expectations that the Fed and the ECB are likely to loosen monetary policy over the next 12 months to combat slowing growth. Exposure to higher-beta credit also made a positive contribution to performance in an environment where investors became more sanguine about the outlook for tariffs. Initial volatility in the credit market gave way to a sustained period of spread tightening, as investors focused on positive fundamental and technical market drivers.

Performance and attribution commentary

The fund delivered a return of 3.23% (gross of investment management fees and net of expenses). SONIA returned 1.06%, while the Bloomberg Global Aggregate Index returned 1.58%. The majority of the fund's positive return came from exposure to relative-value and directional interest-rate strategies, although security selection in corporate names was also beneficial. Performance benefited from exposure to BBB-rated and BB-rated bonds and from security selection in the financial, energy, consumer, and real estate sectors.

Summary characteristics

Duration X Spread (DTS)	298
Spread Duration (Years)	2.6
Interest Rate Duration (Years)	3.9
GBP	0.6
EUR	0.8
USD	2.2
ZAR	0.3
Maturity Exposure	
0-5 Years	71.3
5-10 Years	24.7
10+ Years	4.0

Note: The interest rate duration figure has been broken down by contribution from currency area.

Credit rating (%)

AAA	5.4
AA	5.6
A	18.1
BBB	40.0
BB	18.1
B	10.5
CCC	0.8
NR	0.0
None	1.5

Top 10 issuers (%)

HSBC	1.8
UnitedHealth	1.5
New York Life	1.5
Aroundtown	1.4
AT&T	1.4
Bacardi	1.4
CIBC	1.2
Barclays	1.1
Broadcom	1.1
Permanent TSB	1.1

Sector Allocation (%)

Banking	20.9
Consumer Goods & Services	18.9
Utilities	9.2
Health Care	8.7
Industrials	6.2
Real Estate	6.1
Oil & Gas	5.3
Insurance	5.1
Technology	5.0
Telecoms	4.9
Sovereign / Supra	4.1
Financial Services	2.4
Basic Materials	1.7
Cash	1.5

Active FX Exposure %

Hungary Forint	0.6
Turkish Lira	0.5
British Pound	0.1
Israel Shekel	0.1
US Dollar	-0.4
Euro	-0.9

Contact

Tel: +44 (0)20 7011 4444

Email: institutional.enquiries@columbiathreadneedle.com

Telephone calls may be recorded

To find out more visit columbiathreadneedle.com

**IMPORTANT INFORMATION**

© 2025 Columbia Threadneedle Investments. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies.

For professional investors and qualified investors only.

This financial promotion is issued for marketing and information purposes only by Columbia Threadneedle Investments in Luxembourg, Switzerland, and the UK.

The Fund is a sub fund of Columbia Threadneedle (Lux) III, a société d'investissement à capital variable (SICAV), registered in Luxembourg and authorised by the Commission de Surveillance du Secteur Financier (CSSF).

English and German language copies of the Fund's Prospectus, summarised investor rights, English and German language copies of the key investor information document (KIID) can be obtained from Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, London EC4N 6A, telephone: Client Services on 0044 (0)20 7011 4444, email: sales.support@columbiathreadneedle.com or electronically at www.columbiathreadneedle.com. Please read the Prospectus before taking any investment decision.

In Switzerland, the information provided is solely an advertisement, and does not constitute, and should not be construed as, an offer in accordance with the Swiss Federal Law on Financial Services. The Prospectus, Key Investor Information Document, Articles of Association, Annual and Interim Reports in German, as well

as further information, can be obtained free of charge from our Swiss Representative: Carnegie Fund Services S.A., 11, rue du Général Dufour, CH-1204 Geneva, Switzerland, Web: www.carnegie-fund-services.ch. The paying agent is Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. The current prices can be found at: www.fundinfo.com.

The information provided in the marketing material does not constitute, and should not be construed as, investment advice or a recommendation to buy, sell or otherwise transact in the Funds. The manager has the right to terminate the arrangements made for marketing.

Financial promotions are issued for marketing and information purposes; in the United Kingdom by Columbia Threadneedle Management Limited, which is authorised and regulated by the Financial Conduct Authority; in the EEA by Columbia Threadneedle Netherlands B.V., which is regulated by the Dutch Authority for the Financial Markets (AFM); and in Switzerland by Columbia Threadneedle Management (Swiss) GmbH, acting as representative office of Columbia Threadneedle Management Limited. In the Middle East: This document is distributed by Columbia Threadneedle Investments (ME) Limited, which is regulated by the Dubai Financial Services Authority (DFSA). For Distributors: This document is intended to provide distributors with information about Group products and services and is not for further distribution. For Institutional Clients: The information in this document is not intended as financial advice and is only intended for persons with appropriate investment knowledge and who meet the regulatory criteria to be classified as a Professional Client or Market Counterparties and no other Person should act upon it.

© 2025 Morningstar. All Rights Reserved. Ratings are latest available at time of publication and may be lagged 1 month. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar Rating, including its methodology, please click [here](#).